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# The Essential Dictionary of Investing & Finance

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BARNES  
& NOBLE  
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**or better (OB):** shown on an order ticket of a limit order to buy or sell stocks. States that the broker should transact the order at a price higher than the specified limit price should a better price be obtainable.

**order:** legally enforceable instructions, stated or written, from a customer to the broker to purchase or sell a given quantity of a particular stock at market price or at a specific price. Special trading instructions may also be added.

**order book official (OBO):** in the Pacific or Philadelphia stock exchanges, employees who accept orders for options not readily executed. When and if such orders can be transacted, the OBO makes the trade on an agency basis, and informs the member firm that they have entered the orders. On the Chicago Board Options Exchange, such employees are called *board brokers*.

**order department:** synonymous with *wire room*.

**order flow:** the right to execute customers' trades.

**order imbalance:** large number of buy or sell orders for a stock that causes a significant spread between bid and offer prices; may lead the exchange to halt trading for a time period.

**order party:** a party instructing the sender to execute the transaction.

**order room:** synonymous with *wire room*.

**orders:**

(1) **general:** requests made for the delivery of goods or services.

(2) **investments:** instructions to a broker to buy or sell shares.

**orders good until a specified time:** a market or limited price order that is to be represented in the "trading crowd" until a specified time, after which such order or the portion not executed is treated as canceled. Cf. *good-'til-canceled order*.

**order splitting:** prohibited by NASD where brokers split orders to qualify them as small order for purposes of automatic execution.

**order support system (OSS):** implemented in 1979 by the Chicago Board Options Exchange to speed public order information in and out of the exchange. Cf. *trade support system*.

**order ticket:** a form completed by a registered representative of a brokerage house, upon receiving order instructions from a client. Regulations require that the house retain these forms for a certain period of time.

**ordinary asset:** an asset that is bought and sold as a regular component of a continuing business activity. What may be an ordinary asset to one firm may be a capital asset to another. A real estate broker selling property would be selling an ordinary asset, whereas a retailer would be selling a capital asset if he sold land.

**ordinary interest:** interest that is calculated based on 360 days to the year.

**ordinary shares:** British term for the junior stock issue of a corporation, similar to common stock in the United States.

**ordinary stock:** common or equity stock.

**ordinary voting:** the stockholder under this principle is entitled to one vote for each voting share and directors are elected one at a time. Cf. *cumulative voting*.

**organized exchange:** the place where goods or property rights are bought and sold according to recognized rules. Examples are stock and bond exchanges, grain, butter, sugar, and other exchanges.

**organized market:** a group of traders, operating under recognized rules, for the purpose of buying and selling a single commodity or a small number of related commodities; for example, the Chicago Board of Trade.

**organized securities exchange:** stock exchange, as distinguished from an over-the-counter market.

**original asset:** stocks, bonds, or other property received in a trust at the time of its creation, or an estate at the time of appointment of the executor or administrator.

**original investment:** an investment received by the trustee as part of the decedent's estate or from the settlor of a living trust.

**original issue discount:** the discount from par value at the time a bond is issued.

**original issue discount bond (OID):** see *bond, original issue discount*.

**original (originally) issue (issued) stock:** securities initially issued at the time the corporation was established and which are part of the starting capitalization.

**original margin:** margin required at the onset of a transaction.

**original maturity:** the time interval between the issue date and the maturity date of a bond. Cf. *current maturity*.

**origination:** decisions by a firm (with the help of a securities firm) on how much stock or bonds to issue, the type of stock or bonds to be issued, and the price at which the stock or bond should be sold.

**originator:**

(1) a banking house or individual investment banker who is the first to promote a proposed new issue for a corporation.

(2) an investment banking firm that worked with an issuer of a new stock and who is frequently appointed manager of the underwriting syndicate.

**orphan stock:** *slang*, stock that is avoided by analysts.

**OS:** see *option spreading*.

**Oslo Stock Exchange:** founded in 1819 in Oslo, Norway, as a commodity exchange. In 1881 securities were added.

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**odd-lot house:** a brokerage company specializing as a dealer in handling orders from investors for amounts less than 100 shares (round lots). The broker takes positions in the market and draws on his or her own inventory to satisfy demand for stocks.

**odd-lot index:** a measurement determined by dividing total odd-lot sales by odd-lot purchases on a 10-day moving average. When sales outnumber purchases, this is judged as unfavorable because the public is hesitant to buy. When purchases outnumber sales, the reverse is true.

**odd-lot orders:** any purchase or sale of stock not in 100-share units. Cf. *round lot*.

**odd-lot selling indicator:** synonymous with *odd-lot short-sale ratio*.

**odd-lot short-sale ratio:** odd-lot shares shorted divided by all other odd-lot sales. When the ratio exceeds or reaches 3 percent the indicator is considered positive, and when the ratio drops to 0.7 percent or less it is considered negative. Synonymous with *odd-lot selling indicator*.

**odd-lot theory:** a concept stating that investors who buy odd-lot quantities of stocks are usually late in the timing of their investments.

**odd-lot trader:** a person who purchases and sells securities in less than 100-share lots, as contrasted to professional investors and others of considerable means who deal in larger, more economical amounts.

**odd-lot trend:** an indicator for comparing odd-lot buying volume to odd-lot selling volume.

**OEI:** see *open-end funds*.

**OEIC:** see *open-end investment company*.

**OETI:** see *open-end investment trust*.

**OF:** see *offshore funds*.

**Ofd:** see *offer(ed)*.

**off:** describes a given day on which the prices of stocks and commodities drop. See *on*.

**off-board:** synonymous with *off the board*.

**offer(ed):** the price at which a person is ready to sell. Opposed to *bid*, the price at which one is ready to buy.

**offered ahead:** a situation created when an individual who has placed an order to sell at a given price finds that other or lower offers have been given earlier on the same security; these obviously take precedence over his offer.

**offered down:** securities that are offered for sale at levels lower than the last sale or quoted price of the same stock.

**offering:** used to indicate an issue of securities or bonds offered for sale to the public. See *secondary distribution*; *special offering*.

**offering book:** see *offering list*.

**offering circular:** the required prospectus made available to any potential investor during an initial stock offering. Includes information on the corporation, its officers, financial status, and planned use of funds to be received from the offering. See *prospectus*.

**offering date:** the date when a distribution of stocks or bonds is to be made available for sale to the public for the first time.

**offering list:** a document showing the price, amount, and description of the item printed by a seller or dealer.

**offering price:** synonymous with *asked (asking) price*.

**offering sale:** prices when different maturities of a serial bond issue are offered to the public by an underwriter. The offering sale can also be expressed as yields to maturity. See *yield to maturity*.

**offering sheet:** see *offering list*.

**offers to sell:** see *matched and lost*.

**offer wanted (OW):** a notice by a possible purchaser of a stock that he or she is seeking an offer by a possible seller of the stock. Abbreviation *OW* is found on pink sheets (stock listings) and on yellow sheets (corporate bond listings) released by the National Quotation Bureau for securities traded by over-the-counter dealers. See *pink sheets*; *yellow sheets*.

**off-exchange:** commodity firms registered with the Commodity Futures Trading Commission that are not members of any of the 10 regulated futures exchanges that keep an eye on the daily operations of their members. In fact, these "off-exchange" houses, in practice, are barely regulated.

**off-floor order:** an order to buy or sell a stock originating away from the floor of an exchange. These are client orders originating with brokers. Exchange regulations require that such orders be executed before orders initiated on the floor.

**Office of Supervisory Jurisdiction:** an office supervised by a parent office of a member of the NASD. Each member of NASD is required to have at least one office of supervisory jurisdiction.

**official notice of sale:** the notice released by a municipality inviting investment bankers to present competitive bids for an upcoming bond issue. The *Daily Bond Buyer* carries these notices.

**official reserves:** a nation's holding of monetary gold, special drawing rights, and internationally acceptable currencies.

**official statement:** a statement giving the details of a new municipal bond offering. Modeled after the *offering circular*. See *offering circular*.

- offset:**
- (1) **general:** either of two equivalent entries on both sides of an account.
  - (2) **options:** a closing transaction involving the purchase or sale of an option having the same features as one already held.

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